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Wednesday, February 20, 2013

- **EID-Mtn. States:** Initial headlines linking Pavillion to HF were so inaccurate, even EPA pushed back ([2/20](#))
- **EID-Ohio:** State of the State address cites many benefits Utica is bringing to the region ([2/19](#))

#### NATIONAL

**Millions in Grant Dollars Flowing to HF Studies.** [Washington Times](#). “You see anecdotal claims that natural gas development has a public health impact, but those claims have been refuted by investigations by state and federal regulatory agencies,” said John Krohn, a spokesman with Energy in Depth. Mr. Krohn argues that opponents of fossil-fuel use will use the public health argument — or whatever other argument seems best at the time — to discredit fracking.

**Regulators lay out case for state regulation of HF.** [Gas Business Briefing](#) (sub req’d). “Michigan’s oil and gas statutes, regulations and administrative procedures are tailored to the legal structure and doctrines, environmental conditions, geology, topography, climate and community sensitivities specific to our state,” Fitch, director of the Michigan Department of Environmental Quality’s Office of Oil, Gas and Minerals, said in his testimony.

**New year prompts slew of HF bills.** [E&E News](#) (sub req’d). New York, California and Illinois are all home to high-profile efforts to directly regulate shale drilling for the first time. Though all have broader drilling rules, legislative pushes have accompanied state agency efforts to update rules for horizontal drilling and hydraulic fracturing -- technologies that together have helped the industry break into massive shale plays holding vast amounts of natural gas and oil.

**Abe to Ask Obama for Shale Exports as Japan’s Gas Bill Soars.** [Bloomberg](#). Japanese Prime Minister Shinzo Abe will ask U.S. President Barack Obama to allow shale gas exports as the world’s third-largest economy grapples with soaring energy costs after 2011’s nuclear disaster closed reactors.

Shale's Ethane Boom Gives Westlake Advantage. [NGI's Shale Daily](#) (sub req'd). Westlake Chemical Corp. enjoyed record fourth quarter and full year results last year, driven in large part by lower ethylene feedstock costs resulting from the abundant supply of natural gas liquids (NGL) coming out of North American shale plays, CEO Albert Chao told analysts during a conference call Tuesday.

## INTERNATIONAL

UKOOG: Shale Gas and CBM will Save the Day. [Rigzone](#). Shale gas and coal-bed methane reserves will contribute "significantly" to the UK's energy mix as the country struggles to meet future energy needs, the UK Onshore Operators Group (UKOOG) stated Tuesday in response to concerns raised by UK energy regulator Ofgem about a possible shortfall in electricity-generating capacity in years to come.

Shale push may redefine BHP. [The Australian](#). Success in the shale push could redefine BHP, and given that the growth in capital expenditure in iron ore, coal, copper and conventional oil and gas tails off from here on in, the nascent US shale business is to fast become the focus of future growth, certainly during Mackenzie's turn at the wheel.

Geologist's study challenges popular assumptions about HF. [Globe and Mail](#). "The hype around shale gas is just that," said David Hughes, a geologist and former research manager with the Geological Survey of Canada who authored the study, which was released on Tuesday.

Turkey's shale gas hopes draw growing interest. [Financial Express](#). Turkey is hoping to find shale gas reserves big enough to help reduce its energy import dependency and is in talks with foreign firms about widening exploration after encouraging early signs, industry officials said on Monday.

Perth basin precleanup shale gas flow rate encouraging. [Oil & Gas Journal](#). Norwest Energy NL, Perth, reported an encouraging early flow rate of 350 Mscfd of gas from Permian Carynginia shale at its Arrowsmith-2 well on EP413 in the Perth basin of Western Australia.

Brazil plans shale-gas rights auction for October, ANP says. [Reuters](#). Brazil's oil regulator said on Tuesday it plans to hold a special auction on Oct. 30 and 31 to sell rights to explore for natural gas in onshore shale deposits, a move that could help raise the supply of gas and cut its cost.

Ukraine shale talks cannot run on indefinitely. [Reuters](#). Chevron remains optimistic over prospects for a shale gas deal in Ukraine but talks with the government which have already been extended cannot drag on indefinitely, an executive with the U.S. company said on Tuesday.

## CALIFORNIA

Activists criticize HF rules at public workshop. [89.3 KPCC](#). A public workshop in downtown Los Angeles on fracking has accelerated debate over what Californians should know about the oil and gas production method.

Calif. walloped with criticisms on proposed HF rules. [E&E News](#) (sub req'd). A group of California residents yesterday denounced the state's proposed rules on hydraulic fracturing of oil and gas, saying they are inadequate and wouldn't protect people or resources.

## COLORADO

Fort Collins Gives Initial OK To HF Ban. [KUNC News](#). In addition to the fracking ban, the measure would eliminate all oil and gas exploration inside Fort Collins city limits. Exempt from the proposed law are currently operating well pads—all of which are owned by Prospect

Energy. NOTE: [The Coloradoan](#) also reports.

Political pressure builds leading up to Fort Collins council vote. [The Coloradoan](#). "I joined this petition drive to show members of the Fort Collins City Council that there is broad support for responsible oil and gas development within our community," stated Sean Dougherty, a longtime Fort Collins resident and businessman, in the release. "This proposed ban on hydraulic fracturing by a community that relies on oil and natural gas products is not only disingenuous, it is also illegal."

#### MONTANA

Hydraulic fracturing is focus of talk Thursday. [Great Falls Tribune](#). Duncan Patten, a professor at Montana State University, will talk about hydraulic fracturing at 7 p.m. Thursday at the Paris Gibson Square Museum of Art, 1400 1st Ave. N. in Great Falls. The presentation, which is free and open to the public, is titled, "Hydraulic Fracturing: Progress or Problems, Boom or Bust." It's sponsored by the Island Range Chapter of the Montana Wilderness Association.

#### NORTH CAROLINA

Committee to vote on moratorium on HF. [WSOC Charlotte](#). The bill before the state Senate Finance Committee would signal to the oil and gas industry that North Carolina is eager to host natural gas exploration in its shale reserves.

#### NORTHEAST

HF doesn't include the risks of war. [Albany Times Union, Op-Ed](#). Oil is in every sense the blood of our nation. We cannot live long without it, now and for decades to come, and we are shedding real blood to maintain access to it. If you clear away the weeds of partisan intrigue concerning our recent foreign wars, you will see that our soldiers are fighting and dying in the Middle East primarily because the lives and livelihoods of every American rely on our oil supply.

Garrett dissolves HF advisory group. [Cumberland Times-News](#). "I would love for the local committee to make sure they look at it (the report) and see if they view anything that has been missed," said Raley. "There are things I think the committee can do. I don't believe in meeting just to meet. The jury is still out on whether (shale drilling) is an economic boom or economic bust."

PA Marcellus topped 2 TCF in 2012. [Scranton Times-Tribune](#). New production data reported by natural gas drilling companies and released by the state Department of Environmental Protection on Tuesday showed that 1.1 trillion cubic feet of gas flowed from unconventional wells in the state during the second half of 2012.

Health study a welcome move. [Wilkes Barre Times-Leader](#). News of a large-scale regional study on the medical impact of Marcellus Shale gas drilling may seem a tad past due, considering how robust drilling has been in parts of Northeastern Pennsylvania, but any third-party scrutiny is welcome. And to have that review conducted by medical professionals is doubly appreciated.

Residents File Petition Against Office of Energy. [FOX 40](#). Since its creation, the Office of Energy Development has been under fire by those opposed to hydrofracking. Those opposed to the office say it's a cover to promote fracking in Broome County despite county officials repeatedly saying otherwise.

Allegheny County Council approves drilling at airport. [Pittsburgh Post Gazette](#). "There are so many jobs that are related to this in my neck of the woods, and I haven't heard of one person who has told me to vote against this," said council member Robert Macey, D-West

Mifflin.

DEP chided at hearing on drilling. [Pittsburgh Post Gazette](#). Anger and frustration and jugs of orange-brown tap water were on display at a state House committee hearing in Washington County on Tuesday, where rural property owners and environmental advocates said the state Department of Environmental Protection is failing to enforce Marcellus Shale gas regulations and seriously damaging the environment and their health.

## OHIO

Gov. John Kasich's State of the State address. [Cleveland Plain Dealer](#). Kasich, who is up for re-election in 2014, also has proposed increasing the severance tax on oil and gas revenues reaped from horizontal drilling, particularly in the Utica Shale formation in eastern Ohio, "so that all Ohioans can benefit from the gas and oil discoveries in our state."

Resolution passage could affect Philpott's future plans in Brunswick. [Cleveland Plain Dealer](#). "Since providing environmentally friendly products to this industry is a key growth component of the company's strategic plan, Philpott will be forced to locate its new wholesale operation outside of Brunswick," said Michael Baach, president of Philpott Rubber, at a press conference Feb. 18 announcing the company's new wholly owned subsidiary, Philpott Energy & Transportation Company.

State: Kent State Controls HF on University Land. [Kent Patch](#). The decision to allow or deny hydraulic fracturing for oil and natural gas on Kent State University campuses lies with local university administrators, according to a state official.

Ohio looks to increase penalties for illegal dumping of waste. [Streetsboro Gateway News](#). Sens. Joe Schiavoni, D-Boardman, and Frank LaRose, R-Akron, plan to offer the law changes, including a requirement that the state revoke existing permits and deny future ones for those convicted of the crime.

Youngstown Council will approve a HF charter amendment. [Youngstown Vindicator](#). Even though some of its members don't agree with a citizen-organized charter-amendment proposal to ban fracking in Youngstown and the law director contends it isn't enforceable, city council is expected today to approve an ordinance to place the initiative on the May 7 ballot.

HF protest at Ohio River storage site. [Columbus Dispatch](#). Members of a group called Appalachia Resist descended on GreenHunter Water's storage facility and terminal in New Matamoras this morning. The Grapevine, Texas-based company is taking truckload deliveries of the liquid wastes, which bubble out of shale wells along with oil and gas, while it awaits a Coast Guard decision that could allow it to use barges. NOTE: [Associated Press](#) also reports.

Flushing to house gas storage facility. [Martins Ferry Times Leader](#). As part of a \$1.5 billion deal, Dominion Resources is building a 90,000-gallon natural gas liquids storage facility along Ohio 331 that will be connected by pipeline to the Marshall County Natrium facility.

## TEXAS

Join Us For a Conversation on Shale and the Texas Legislature. [StateImpact Texas](#). Please join us and panel of several state lawmakers in Austin next Tuesday for some answers. We'll talk about how the historic increase in drilling has impacted different parts of the state and what role lawmakers could play in regulating the rapid increase in drilling.

Texas' power demand short-circuits benefits of cheap natural gas. [San Antonio Express-News](#). A nationwide decrease in wholesale power prices because of cheap natural gas is less evident in Texas because of growing demand that has the state scrambling to find additional generation capacity.

More leases highlight problems for Texas agency. [E&E News](#) (sub req'd). Last year, the Railroad Commission says, it issued more than 22,000 drilling permits. Craddick told the House Energy Resources Committee and the Environmental Regulation Committee in a joint hearing that the bulk of activity is still concentrated in the Eagle Ford Shale and Permian Basin regions. Last year, Craddick said, the Railroad Commission issued around 9,300 permits to operators in the Permian Basin, up from 6,900 permits issued in 2010. Permitting in the Eagle Ford expanded from 1,000 permits in 2010 to around 4,100 permits issued last year.

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